

Supplementary SAF Processing Guidance for PILLAR 2

This guidance is a short reference guide for processing Pillar 2 claims on the SAF it should be used in conjunction with the full scheme guidance.

When clearing an error related to a Pillar 2 management option during SAF processing you must consider the impact of the change on the contract.

The basic principle when considering Pillar 2 annual recurrent claims is that the contracts are a five year commitment and applicants must complete the full five years. This means that when there is an under or over declaration of pillar 2 on the SAF you must consider the impact on previous and future years.

The other thing to consider with all errors relating to Pillar 2 options is if there are any outstanding variations needed. Outstanding variation can be due to: requests from the applicant, inspections/adjustments from the previous year's SAF or mapping changes.

If there are outstanding variations you should assess if the variation will fully resolve the discrepancy between the claim and the contract. If it will then the error can be suppressed with the reason code "mark for Contract" and the error will be resolved once the variation is complete. You must refer to the variation guidance for the pillar 2 scheme you are dealing with. You must record a suitable comment clearly explaining what further action will be taken, for example:

Variation request received 12/03/16 Retention of Winter Stubbles RWS1 to be moved from LPID AB/12345/67890 to LPID CD/98765/43210 in 2016 RP contract no. 123456 will be varied.

Or

Planting of hedge H4 in LPID EF/14725/89630 delayed due to late issue of contract, management delayed to start in 2017 as a result AECS contract 15AEC00123-01 will be amended.

Whenever possible all variations should be completed ahead of processing the SAF. Completing variations after SAF processing is likely to result in double handling.

For AECS and FGS claims if the variation is required as a result of a mapping update and the LPID on the claim is a parent or child of the LPID on the contract then any mismatch between LPIDs is not an issue and EC001-014 errors can be overridden with the reason code "Error Assessed and Overridden".

You must ensure that any over or under declarations are dealt with as per the instructions below and the contract must be varied for future years so that the contract shows the most up to date LPID to assist the applicant in claiming. The field families functionality on the SAF will alert you if the area in the new LPIDs is not sufficient to accommodate the area claimed.

You must add the details of the required variation to your local outstanding variation spreadsheet so that the variation can be completed once the variation program is available see the AECS or FGS validation guidance for details.

Please note SIACS will not allow claims for RP and LMO to be generated until the claim and contract match so contract variations must be completed before payments can be made.

If there are no outstanding variations then one or more of the actions below will be necessary.

Under Declarations

If the claim is less than the contracted area you must investigate why less area has been claimed. You may need to discuss with the case officer or contact the applicant to discuss the under declaration and determine if:

- a) the option is rotational and the management has been undertaken in a different LPID,
- b) the area eligible/managed for the option on the ground is less than the area on the contract,
- c) or the area eligible and managed for the option on the ground is equal to the contract but the claimant made an error on the claim form.

a) For rotational options where the claimant has moved the option to a different field see the rotational option section below.

b) If the area available for the option on the ground is less than the contract area you must recover any payments made in previous years for that option. You should make claim adjustments without penalty to the previous years SAF forms to remove the area. Complete a breach notification form (available on the staff site or at obj. ref. A15161336) and send it to the RP Recoveries Mailbox.

You must also vary the Pillar 2 contract to remove the area from any future years.

On the SAF error you should use suppression - Error assessed and overridden to clear the error. You must ensure that your comment states that area on the ground is less than the contract area and detail what recoveries and variations have been made.

Note: currently the variation program for AECS and FGS has not been built. So you must add the details of the required variation to your local outstanding variation spreadsheet so that the variation can be completed once the variation program is available. You must detail the option, MAP letter, LPID, year and area to be varied.

c) You should either visit the site or ask the applicant to provide evidence that the management has been completed. If you are content that the management has been completed you should use suppression - Error assessed and overridden to clear the error on the SAF. You must include in your comment that you have confirmed that the management has been done on the ground and that no recoveries or variations are required. You must also place a copy of the evidence on the file or upload it onto RP&S.

Over Declarations

If the option is rotational then refer to the rotational options section below.

If the option is not rotational and the claim is greater than the contracted area you make an adjustment to the claim to reduce it to the contracted area with the reason "Reductions: Over-declaration – Penalised" Over declarations can also arise if the applicant has claimed more for an option than the available area within the LPID. If the claim is to be reduced below the area on the contract then you must also recover any payments made in previous years for that option. You should make claim adjustments without penalty to the previous years SAF forms to remove the area. Complete a breach notification form (available on the staff site or at obj. ref. A15161336) and send it to the RP Recoveries Mailbox.

You must also vary the PILLAR 2 contract to remove the area from any future years.

Note: currently the variation program for AECS and FGS has not been built see above.

Rotational Options

Some Pillar 2 options are rotational which means that they can be moved around the farm within the normal rotation and on an annual basis. These options are usually related to arable crops or on TGRS for example Retention of Winter Stubbles for Wildlife and Water Quality or Wader and Wildlife Mown Grassland.

If you find an under or over declaration for a rotational option you should determine if the applicant has changed their rotation and moved the option to a different LPID than the one specified on the contract. If this is the case you would expect that the total area over declared for the option in question on the SAF is equal to the total area under declared for the option in question on the SAF.

Example

Contract 15AEC12345 has 10 Ha of Retention of Winter Stubbles in LPID AB/12345/67890 for 2016. The 2016 SAF is showing that the applicant has claimed 0 Ha of 10 Ha of Retention of Winter Stubbles in LPID AB/12345/67890 and claimed 10 Ha of Retention of Winter Stubbles in LPID BA/09876/54321.

Applicants are expected to determine their expected rotation at the point of application for an Pillar 2 contract and request a variation if their rotation changes.

If an applicant has confirmed that they wanted to move the rotational option in writing and indicated when submitting their SAF that a variation was required when justifying errors it should be treated as a variation request and assessed in line with the variation guidance.

Applicants should be encouraged to make variation requests either before claiming or with the SAF claim so make sure to remind the applicant to do this if they wish to move an option in the future.

If the variation is accepted the error can be suppressed with the reason code "mark for Contract" and the error will be resolved once the variation is complete. If the variation is not accepted then the errors should be treated as any other over or under declaration.

Note: currently the variation program for AECS and FGS has not been built. So you must add the details of the required variation to your local outstanding variation spreadsheet so that the variation can be completed once the variation program is available. You must detail the option, MAP letter, LPID, year and area to be varied.

Management Errors

If you become aware after an applicant has claimed an option that the management requirements have not been adhered to then this should be treated as an incorrectly managed scheme breach. The breach should be assessed and applied as per the [breaches and penalties guidance](#).

If the outcome of the penalty matrix indicates that recoveries should be made and future years restricted then make claim adjustments without penalty (reason: over declaration - non-penalised) to the previous years SAF forms to remove the area. Complete a breach notification form (available on the staff site or at obj. ref. A15161336) and send it to the [RP Recoveries Mailbox](#) and vary the Pillar 2 contract to remove the area from any [future years](#).

Annual Management Options Related to Un-Claimed Capital Items

Some annual management options have associated capital items that must be completed to allow management to take place. The SAF will now generate an error when the capital item has not been claimed. As capital claims are all being processed offline this error will fire in every case for the time being.

Please check if the applicant has the capital item on their contract. Some applicants in the first year did not include the associated capital items on their application. If the applicant does not have the capital item on their contract please ask them for confirmation that the work has been completed and if it has you should use suppression - Error assessed and overridden to clear the error and ensure your comments state that the work has been completed but the applicant could not claim the item.

Check your local spread sheet to determine if the capital claim has been made (the final date for submitting capital claims is 28th of February).

If no capital claim has been received by the claim deadline then reduce claim to zero. You should contact the applicant to determine if the capital and annual recurrent work has been carried out.

If the work has not been carried out then the applicant has not met their 5 year commitments and you must recover any payments made in previous years for that option. You should make claim adjustments without penalty (reason: over declaration - non-penalised) to the previous years SAF forms to remove the area. Complete a breach notification form (available on the staff site or at obj. ref. A15161336) and send it to the RP Recoveries Mailbox.

You must also vary the Pillar 2 contract to remove the area from any future years. You must ensure that any comments on the SAF detail what recoveries and variations have been made.

If the work has been carried out and the applicant has simply not claimed the item by the deadline you must ask the applicant to provide evidence. If you are content that the work has been completed you do not need to recover previous years or vary future commitments. You must include in any comments that you have confirmed that the work has been done on the ground and that no recoveries or variations are required. You must also place a copy of the evidence on the file or upload it onto RP&S.

Annual Management Options Related to Inspected Capital Items

Following a capital inspection if over claims have been found or balancing has taken place on the capital items there is no need to amend the capital areas on the contract as the balancing will be dealt with on the claim.

However, if there are associated annual management options which are over declared or should be balanced these must be updated on the contract and the SAF claim. **This can only take place on inspected cases.**

Example

Mr Smith's contract has 10 Ha of Species Rich Grassland Creation in AB/12345/67890 and 10 Ha in field AB/09876/54321 in 2016. He claims 10 Ha in AB/12345/67890 and 10 Ha in field AB/09876/54321.

The capital inspector finds that there are 10.5 Ha in field AB/12345/67890 and 9.85 Ha in field AB/09876/54321.

The areas certified for payment are 10.15 Ha in field AB/12345/67890 and 9.85 Ha in field AB/09876/54321 (the certified area cannot be greater than the original total claim or contract area for the item). No change is needed to the capital items on the contract.

Mr Smith has associated annual management for Species Rich Grassland Creation and Management on his contract and claimed 10 Ha in AB/12345/67890 and 10 Ha in field AB/09876/54321 on his 2016 SAF but as with the capital items the found areas are 10.5 Ha in field AB/12345/67890 and 9.85 Ha in field AB/09876/54321.

The contract should be amended to show 10.15 Ha in field AB/12345/67890 and 9.85 Ha in field AB/09876/54321 from 2016 (the contract area cannot become bigger than the original total contract area for the option).

The SAF claim should also be amended to reduce the claim in field AB/09876/54321 to 9.85 without penalty and to increase the claim in field AB/12345/67890 to 10.15 Ha (Reason: Customer Request: Amendment). Clear comments must be added to the SAF to state that the claim and contract have been amended to following a capital inspection which took place on xx/xx/xx.

Mr Smith's contract also has 1 Ha of Wild Bird Seed Creation in LPID ZY/74185/29630 for 2016. The capital inspector finds only 0.95 Ha.

This area has associated Wild Bird Seed annual management and Mr Smith has claimed 1 Ha of Wild Bird Seed Creation in LPID ZY/74185/29630 on his 2016 SAF but as with the capital item the area found at the capital inspection is 0.95 Ha.

The contract should be amended to show 0.95 Ha in LPID ZY/74185/29630 from 2016. The SAF should then be claim adjusted with penalty (reason: over declaration - penalised) to reduce the area to 0.95 Ha as they have over declared the area.

Other Circumstances

If there are cases which you believe do not fit into the categories above or where you feel the action outlines above should not be taken then please discuss with your local co-ordinator. If necessary they can contact the scheme team with details of the case.

